

Economic Observatory Paper Number EB2.4

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| <b>Security Level:</b> | Confidential | Restricted | Unclassified <input checked="" type="checkbox"/> | Commercially Sensitive |
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| <b>Meeting &amp; Date:</b> | Midlands Engine Executive Board, 18 <sup>th</sup> February 2019   |   |   |
| <b>Subject:</b>            | Midlands Engine Observatory: commissioning of work; Independent Economic Review; Quarterly Economic Commentary            |   |   |
| <b>Attachments:</b>        | 1) SQW presentation on scope and timescales for the independent economic review<br>2) Draft Quarterly Economic Commentary |   |   |
| <b>Report of:</b>          | Programme Director  | <b>Total no of sheets:</b><br>(inc cover sheet) | 5 |

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| <b>Papers are provided for:</b> | <input checked="" type="checkbox"/> Approval | Discussion <input checked="" type="checkbox"/> | Information |
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| <b>Summary &amp; Recommendation:</b>   |
| <p>This report sets out three items for consideration by the Executive Board in relation to the work of the Midlands Engine Economic Observatory (MEEO).</p> <p>Executive Board is asked to:</p> <ol style="list-style-type: none"> <li>1. Approve the principles of how MEEO commissions will be made via the Midlands Engine as set out in Schedule 1 to ensure contractual compliance.</li> <li>2. Note the approach to the Independent Economic Review, and suggest any additions or changes of focus for the Independent Economic Review.</li> <li>3. Note the findings of the first Quarterly Economic Commentary (QEC) (i) Consider the format (length, style, information covered) of the QEC and suggest any changes if required. (ii) Suggest any additions to the data list that may help the Midlands Engine partners in their work</li> </ol> |

## Background information

1. The work of the MEEEO was considered at the January 2019 Midlands Engine Operating Board, the views of the Operating Board is reflected in this report.
2. The Midlands Engine Economic Observatory (MEEEO) is a consortium consisting of City-Redi (University of Birmingham), SQW, Black County Consortium's Economic Intelligence Unit, Cambridge Econometrics and Nottingham Trent University. The consortium won a competitive tender exercise to act as the Economic Observatory for the Midlands Engine. It has a core work programme that includes:
  - completing an independent economic review
  - and compiling data and issuing quarterly economic commentaries (QEC's).
3. The MEEEO will also undertake 'deep dive research' to be agreed with the Midlands Engine and undertake ad-hoc tasks as needs arise.
4. The MEEEO is a resource that all Midland Engine partners can access. For example, LEP's and LA's may access the MEEEO should they need to commission evidence gathering research in support of Local Industrial Strategies, sector development plans and evidence in support of economic development projects.
5. The Operating Board is asked to consider three items in relation to the MEEEO work:
  - The process for commissioning work through the MEEEO
  - The proposals for the scoping phase of the Independent Economic Review
  - The first Quarterly Economic Commentary.

## Commissioning work

6. Attached is a schedule, which sets out the principles of how MEEEO work will be commissioned via the Midlands Engine Executive team. In summary it outlines:
  - All proposals for work, and approval for commissions, must come via the Midlands Engine Executive team (this will be essential in controlling the work programme and budget)
  - Commissions using less than £30,000 of the MEEEO budget would be approved by the Midlands Engine Programme Director
  - Commissions using over £30,000 of MEEEO budget would require the approval of the Midlands Engine Operating Board

The principles in Schedule 1 has been endorsed by the Operating Board and now the Executive Board is asked to formally adopt them.

## The proposals for the scoping phase of the Independent Economic Review

7. SQW and Cambridge Econometrics (CE) have been commissioned by the Midlands Engine (ME) to develop the Midlands' first Independent Economic Review (IER).

8. The proposed timescales will see the scoping phase completed, with a high-level interim report presented in late March 2019. The IER will be completed by September 2019.
9. SQW provided a presentation on the IER to the Operating Board outlining the approach to the scoping phase, key audiences, core questions to be addressed and timescales. The presentation slides are attached.
10. The Executive Board is asked to:
  - Note the approach to the Independent Economic Review
  - Suggest any additions or changes of focus for the Independent Economic Review

#### **DRAFT Quarterly Economic Commentary**

11. Attached is the DRAFT for the first Quarterly Economic Commentary. The QEC report is produced by the Economic Intelligence Unit of the Black Country Consortium.
12. The purpose of the QEC is to provide intelligence that can inform, support and influence important decision making to ensure strategy and policy is evidence led. The report will be produced on a quarterly basis with each quarter reporting on the latest data to be released.
13. The first winter QEC produced in January focuses on the Economy with the main emphasis on GVA; The spring QEC in April will bring together a place focus approach concentrating on housing; The summer QEC in July will centre on people with the main focus on qualification levels and Autumn QEC In October will focus on business which will give attention to employment rates.
14. The QEC is supported by a master spreadsheet of data which is a selection of headline strategic contextual indicators from national data sources. The data to underpin these indicators will be available down to Local Authority level for all partners to access and will be updated as soon as the national data is released. The list of indicators is on page 12 of the QEC report (attached).
15. The Executive Board is asked to:
  - note the findings of the first QEC.
  - consider the format (length, style, information covered) of the QEC and suggest any changes if required.
  - suggest any additions to the database list that may help the Midlands Engine partners in their work

# Commissioning work through the Midlands Engine Economic Observatory

## 1. Introduction

The Midlands Engine Economic Observatory (MEEO) is a consortium consisting of City-Redi (University of Birmingham), SQW, Black County Consortium's Intelligence Unit, Cambridge Econometrics and Nottingham Trent University.

The consortium won a competitive tender exercise to act as the Midlands Engine's Economic Observatory. It has a core work programme that includes:

- completing an independent economic review
- and compiling data and issuing quarterly reports.

The MEEO will also undertake 'deep dive research' to be agreed with the Midlands Engine, and undertake ad-hoc tasks as needs arise.

The MEEO is a resource that all Midland Engine partners can access. For example LEP's and LA's may access the MEEO should they need to commission evidence gathering research in support of Local Industrial Strategies, sector development plans and evidence in support of economic development projects.

## 2. Purpose of maintaining controls

The process of commissioning work should be as efficient as possible, whilst allowing sufficient control by the Midlands Engine Executive team on the MEEO work programme. The purpose of adhering to the controls set out in this paper are:

- The MEEO is the subject of a legally binding contract. The contract manager is the Programme Director who, as a member of the Operating Board, is the interface between Board and the MEEO Provider. Monthly project meetings take place.
- The Executive Team need to keep an overview of the time spent and MEEO budget. This will make decisions on priorities for research easier
- The Executive Team and the lead MEEO partner need to ensure new research does not duplicate or contradict existing research.
- The Executive Team need to be aware of all research taking place so that it can plan for the dissemination of the findings and provide progress reports to the Midlands Engine Operating Board.

## 3. Project proposals and initiation

We have considered three types of commissions that could come to the MEEO, based on the source and level of funding:

- 1) Midlands Engine funded research under £30,000
- 2) Midlands Engine funded research over £30,000

3) Research completed by the MEEO for partners but not funded by the Midlands Engine

All projects, regardless of the funding route, will need to send a Project Proposal to the Midlands Engine Programme Director. The proposal should cover:

- Description of the research
- The need for the research
- The benefits to be derived from the research
- The estimated time to be spent by each MEEO member
- The timescales for completion
- The total cost
- Proposed funding sources

Subject to initial approval by the Midlands Engine Programme Director (a project could be rejected at the discretion of the ME Programme Director), the project will then follow one of 3 routes:

**1)** If the project is under £30k and will use MEEO core funding the project can be commissioned with the approval of the Midlands Engine Programme Director and the agreement of the MEEO Lead and other Consortium members (approval for funding commissions under £30k is delegated to the Midlands Engine Programme Director). Projects will be reviewed at the same monthly Programme Meetings that currently consider SPDF applications. All Operating Board members are free to attend or dial in to these meetings. The dates for 2019 meetings will be provided to Ops Board members.

**2)** If the project uses over £30k of MEEO funding the project will be sent to the Midlands Engine Operating Board for discussion and approval at the next earliest opportunity. If a Board is not scheduled in a timely manner then consultation may be undertaken via email.

**3)** If the project does not use MEEO funding the project would proceed with the approval of the Midlands Engine Programme Director and MEEO Lead.

It should be noted that no MEEO work can be commissioned outside of the route proposed above.

#### **4. Contracting**

All Midlands Engine funded commissions will be contracted between the Midlands Engine (with Nottingham City Council acting as the accountable body) and the MEEO consortium.

All other commissions will be subject to a contract between the project funder and the MEEO.

#### **5. Programme budget**

The Executive Team will be supplied by the MEEO Lead with updated monthly MEEO programme budget. The Executive Team will report this budget into each Midlands Engine Operating Board.

## **6. Equalities Impact Assessment**

The initial assessment is that this work does not have negative impacts on any defined group. Growth in the economy will help raise living standards and opportunities Midlands wide.